



INDIA

- ❖ The new benchmark 6.54% bond maturing in 2032 ended at 98.36 rupees, yielding 6.77%, compared with 98.52 rupees, and a yield of 6.75%, yesterday. The 10-year yield rose 14 basis points this week, biggest such move since week ended Feb. 19, 2021, and after rising an aggregate of 18 basis points in the first three weeks of January.
- ❖ The 10-year U.S. Treasury yield jumped to 1.88% after the Federal Reserve's policy decision and hawkish commentary. The Fed said it would be appropriate to "soon" start raising interest rates to quell inflation in a "strong" labour market. The statement indicated a very high probability of the U.S. central bank raising its short-term federal funds rate by a quarter-percentage point in March. The committee also laid the groundwork to shrink its near-\$9 trillion balance sheet. The 10-year yield was at 1.84%, up seven basis points for the week.
- ❖ Meanwhile, oil prices continue to rise, with the benchmark Brent crude contract set to post its sixth consecutive weekly gain amid supply concerns due to ongoing geopolitical tensions between Russia and Ukraine, which intensified the risk of tighter fuel supply. The contract was at \$89.80 per barrel, up 2.2% this week, after rising 20% in the last five weeks.
- ❖ It sold 240 billion rupees of debt today, while the central bank devolved over 30 billion rupees of the new benchmark paper of the total 130-billion-rupee size.
- ❖ The Indian rupee logged its worst week against the U.S. currency in two months, as prospects of aggressive interest rate hikes by the Federal Reserve sent the dollar index to multi-month highs. The rupee ended at 75.04 per dollar compared with 75.07 yesterday, as importers' dollar demand trimmed the impact of flows related to Adani Wilmar's initial share sale and a rebound in equities. For the week, the rupee slipped 0.8%, its worst slide since Nov. 26, and extended last week's 0.4% decline.
- ❖ Repo: The weighted average call rates in the interbank segment decreased to 3.60% vs 3.68% as on previous day while that in the TREP segment decreased to 3.44 % vs 4.04 % as on previous day.

GOI Yield	28-Jan	27-Jan	20-Jan	31-Dec
1 Year	4.500	4.500	4.460	4.150
5 Year	6.120	6.120	6.050	5.791
10 Year	6.753	6.747	6.614	6.454

AAA Bmk	28-Jan	27-Jan	20-Jan	31-Dec
1 Year	4.80	4.80	4.80	4.65
5 Year	6.30	6.30	6.25	6.15
10 Year	7.17	7.20	7.10	6.90

CD	28-Jan	27-Jan	20-Jan	31-Dec
3 Month	3.95	3.90	3.80	3.65
6 Month	4.15	4.10	4.00	4.15
1 Year	4.80	4.75	4.65	4.60

CP	28-Jan	27-Jan	20-Jan	31-Dec
3 Month	4.22	4.17	4.07	4.05
6 Month	4.82	4.77	4.67	4.65
1 Year	5.23	5.18	5.08	4.95

OIS Rate	28-Jan	27-Jan	20-Jan	31-Dec
1 Year	4.49	4.49	4.44	4.35
2 Year	5.05	5.04	4.98	4.87
3 Year	5.38	5.38	5.29	5.16
5 Year	5.70	5.70	5.64	5.38

	28-Jan	27-Jan	20-Jan	31-Dec
Sensex	57,200	57,277	59,465	58,254
Nifty	17,102	17,110	17,757	17,354
USD/INR	75.04	75.07	74.50	74.33
Gold (USD)	1,787	1,797	1,838	1,828
Oil (USD)	90.17	89.34	88.38	77.78

NDF	28-Jan	27-Jan	20-Jan	31-Dec
3 Month	75.95	76.05	75.27	75.31
1 Year	78.14	78.54	77.82	77.79
2 Year	81.98	81.93	81.15	81.51
3 Year	85.63	85.94	85.14	85.33

Market Observations

G-sec

- Bond yields spiked for the fourth consecutive week, with the 10-year yield seeing its biggest upsurge in over six months, tracking similar moves in U.S. rates and oil prices, and in anticipation of an elevated supply in the next fiscal.

Corporate Bonds

- Trades of sizeable amounts was observed in April 2023 bonds and 2-3 months maturities.

- Pension funds were considering longer tenures.

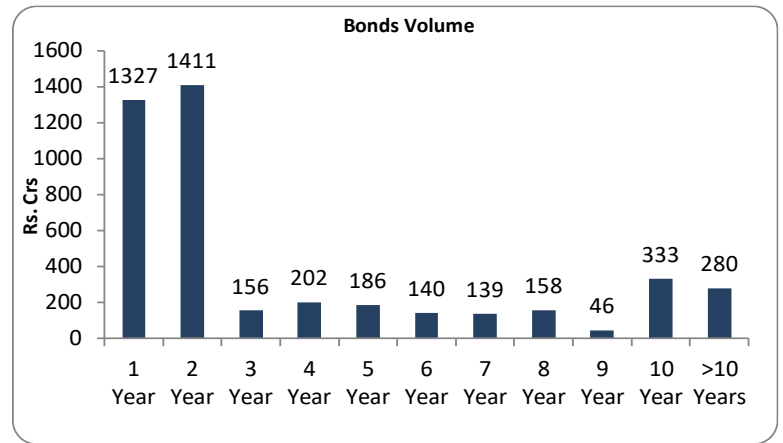
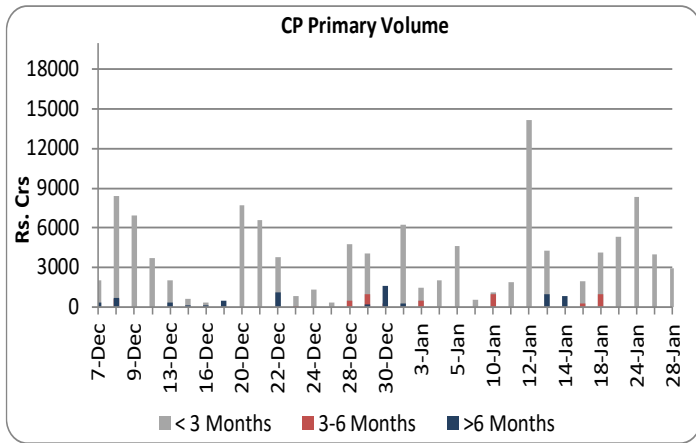
-Demand was seen across 1-3 year segments of the yield curve. Mutual Fund activity was tepid.

CP

- Yields were higher by 5 BPS across the yield curve.

CD

-3 month to 1 year maturity papers were in demand by Mutual Funds.



5.15 GOI 2025 | 1120 | 5.85 | 5.85 | 5.80 | 5.65

10 Year Benchmarks	28-Jan	27-Jan	20-Jan	31-Dec
India	6.77	6.75	6.61	6.45
US	1.85	1.80	1.81	1.51
South Korea	2.59	2.61	2.56	2.26
Russia	9.48	9.53	9.34	8.42
Brazil	11.50	11.50	11.29	10.31
Germany	-0.02	-0.06	-0.03	-0.18
China	2.72	2.74	2.73	2.78

Top Traded Securities	Volume	28-Jan	27-Jan	20-Jan	31-Dec
5.15 GOI 2025	1,120	5.85	5.85	5.80	5.65
5.63 GOI 2026	160	5.98	5.98	5.94	5.79
5.74 GOI 2026	7,980	6.12	6.12	6.05	5.86
6.10 GOI 2031	60	6.75	6.75	6.61	6.45
6.64 GOI 2035	-	7.18	7.18	7.07	6.90
6.67 GOI 2035	-	7.18	7.18	7.08	6.90

DEBT			
MF	Gross Purchase	Gross Sales	Net Investment
25-Jan-22	7069	3761	3309

EQUITY		
Gross Purchase	Gross Sales	Net Investment
5910	5832	78

TOTAL (Rs.Crs)		
Gross Purchase	Gross Sales	Net Investment
12980	9593	3387

DEBT			
FII	Gross Purchase	Gross Sales	Net Investment
28-Jan-22	135	133	1

EQUITY		
Gross Purchase	Gross Sales	Net Investment
12698	18219	-5521

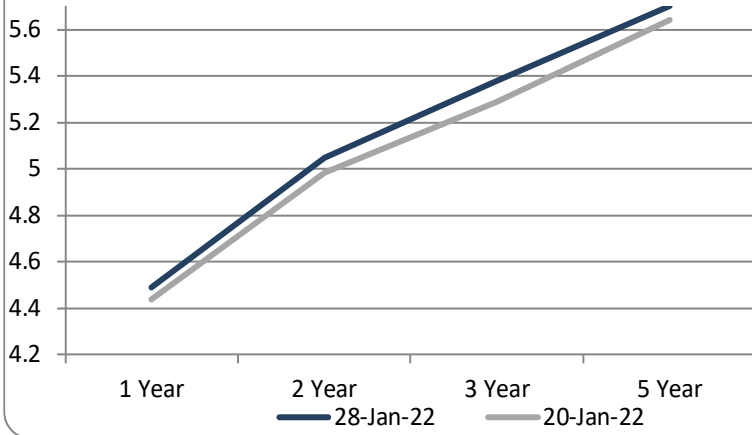
TOTAL (Rs. Crs)		
Gross Purchase	Gross Sales	Net Investment
12833	18353	-5520

INDICATORS	PERIOD	ACTUAL
GDP Quaterly (%)	Sep-21	8.4
CAD (\$ Bn)	Sep-21	-9.6
Trade Deficit (\$ Bn)	Sep-21	-44.4
WPI (%)	Dec-21	13.6
CPI (%)	Dec-21	5.6
IIP (%)	Nov-21	1.4
PMI Manufacturing	Dec-21	55.5
PMI Service	Dec-21	55.5

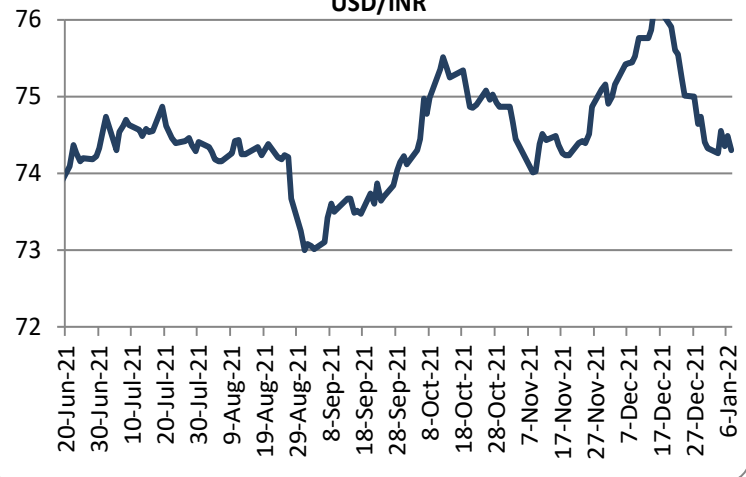
Economic Calender	Country	Date	Poll	Prior
Employment Rate	UK	18-Jan-22	4.20	4.20
CPI	UK	19-Jan-22	5.20	5.10
CPI	South Africa	19-Jan-22	5.70	5.50
Exports	Japan	20-Jan-22	16.00	20.50
Retail Sales	UK	21-Jan-22	3.40	4.70
Fed Policy Rate	USA	27-Jan-22	-	0-0.25
GDP Advance	USA	27-Jan-22	5.80	2.30
Industrial Ouput	South Korea	28-Jan-22	-	5.90



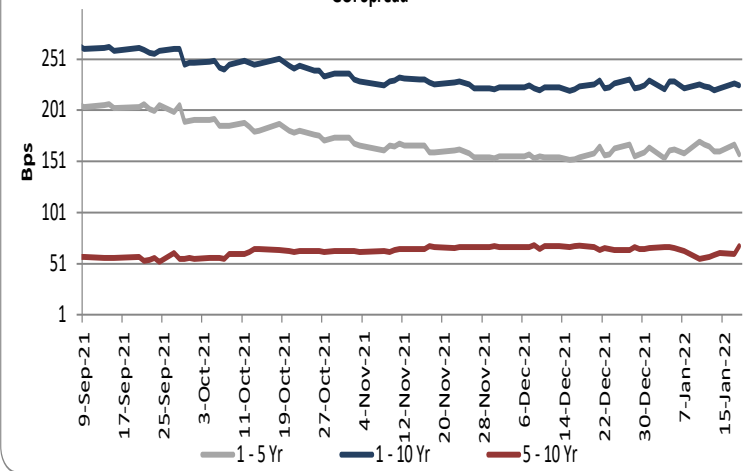
OIS Curve



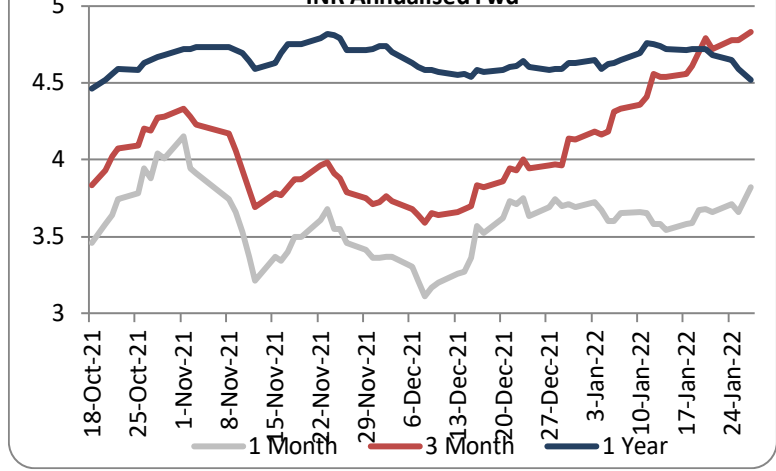
USD/INR



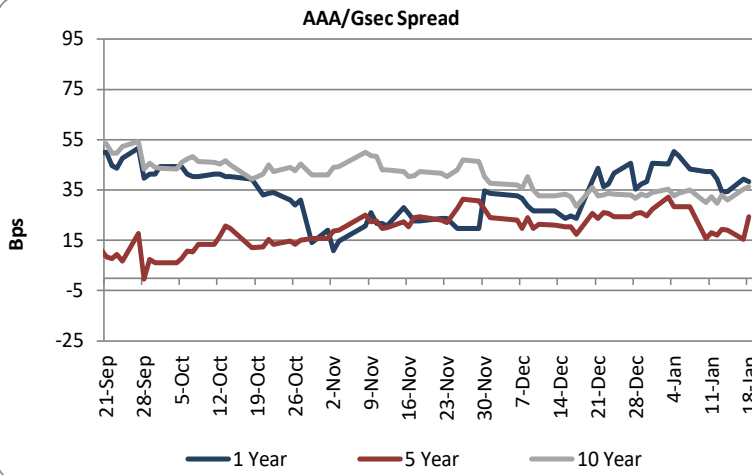
GOI Spread



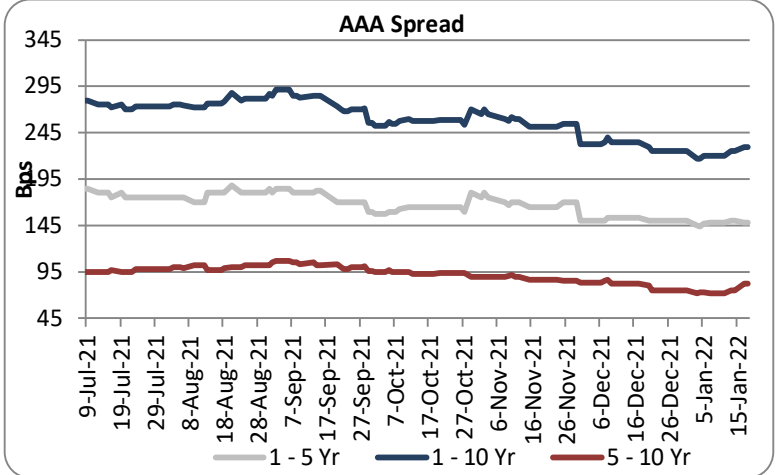
INR Annualised Fwd

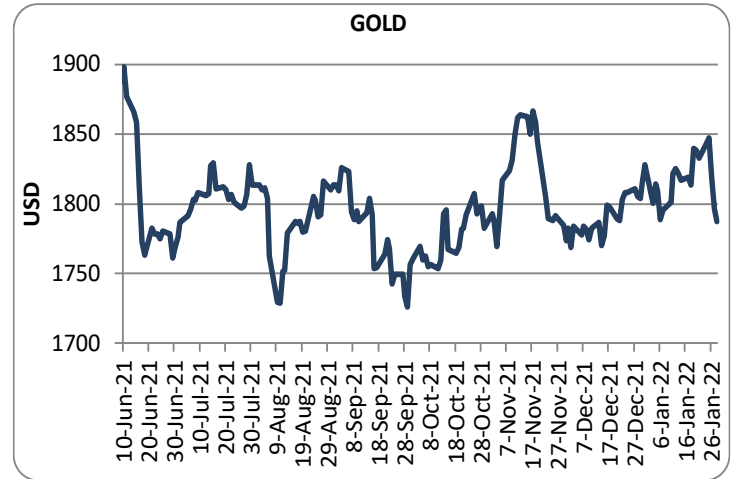
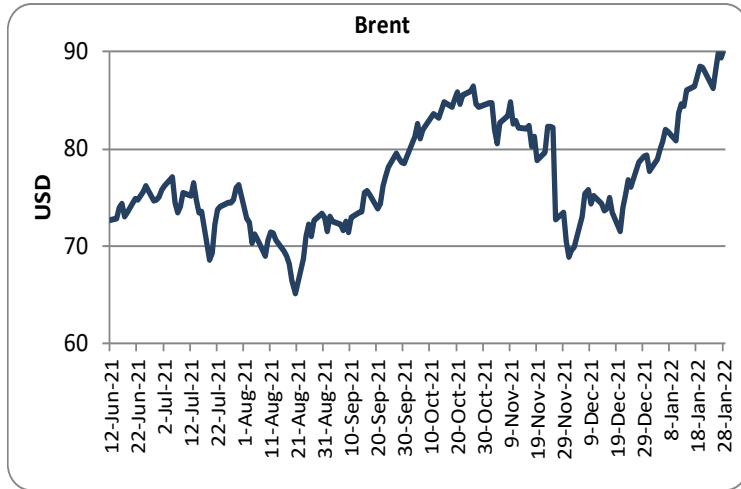


AAA/Gsec Spread



AAA Spread





Sources: Reserve Bank of India, Bloomberg, Reuters, CCIL and FIMMDA.

LKP SECURITIES LTD., 203, Embassy Centre, Nariman Point, Mumbai- 400021

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